

CENTRAL INTELLIGENCE GROUP
NEW WAR DEPARTMENT BUILDING
WASHINGTON 25, D. C.

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Country: Russia
Subject: General Conditions

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Evaluations:

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1. On the surface life in Russia has changed little since the 1930's. With regard to the food supply, the situation is now somewhat better but the housing situation, at least in Moscow, is very much worse. Some four-fifths of Moscow bears great resemblance to the poor sections of Naples. Textiles are of poor quality. There is a general shortage of utensils except for those brought from the Russian zone of Germany. Source was told that, after 1950, there was a certain slow but constant improvement in the standard of living until the end of the first year of war, when it began to decline; now it is at approximately the same level as it was in 1950.
2. Believing Russian statistics on industry to be often fallacious, source nevertheless is persuaded that the first three Five-Year Plans were generally completed and that the fourth is well on the way. Russia now has a heavy industry which may be compared favorably with that of Germany before the war. Industrialization of the country has been very costly, since it was necessary to employ a large amount of unspecialized labor, since the productivity of the Russian workmen is officially admitted to be less than that of the European (not to mention the American), and since it was financed by heavy burdens on the people which had the effect of keeping many

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of them in a state of relative poverty. Source finds it very interesting that the recent growth of industry is aimed essentially at creating a new industry and not at producing consumer goods during the latter half of the second Five-Year Plan and during the entirety of the third Five-Year Plan there was a constant increase in productive activity aimed at rearmament, whereas only a small part of industrial capacity was allotted to production for civilian consumption. The present Five-Year Plan apparently has a similar objective and is designed to restore the industries of Western Russia and the Ukraine which were devastated during the war and to develop heavy industries especially in Siberia. At present, he sees little prospect of any improvement in the standard of living for the great mass of the people.

3. Source observes that certain social distinctions have developed since 1940. Now a rigid distinction exists between officers and enlisted personnel, and officers are much better dressed. A similar situation obtains among the civil population, at least in the large cities, where there is a new privileged class composed largely of military leaders and the more important bureaucrats. Up to the present, the growth of social classes has been very greatly restricted; although apparent in Moscow and Leningrad, there is hardly a trace of it in the provinces. Stalin and the persons close to him are serious persons and hard working and lead a very modest private life. Source does not anticipate that a permanent aristocracy will grow up in Russia. The new privileged class is composed of marshals, generals, departmental heads, industrial directors and engineers, all of whom may be transferred, dismissed or arrested at the pleasure of the Kremlin. There has been a marked tendency for the names of those who were prominent leaders during the war to disappear almost entirely from the press or radio; now nearly all the credit for the Soviet victory is given to Stalin. In addition there has been a relatively mild purge in other groups of the so-called higher classes, particularly in the Communist Party itself and in industrial, literary, and artistic circles. Under the circumstances, it is difficult for the new privileged class to have time or means of becoming a social grouping with its own traditions and its own mentality. Although a certain type of privileged class may be in process of formation, made up of the most conspicuous persons in the Army and Government, it is very unlikely that such a class would have any influence on the political life of the country, inasmuch as that class would be based almost entirely on the changing intentions of the dominating group in the Kremlin.
4. The essential fact is that power continues to be concentrated in the small directing circle in the Kremlin; whereas in 1939 the Soviet

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